

June 4, 2004

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W., TW-A325  
Washington, D.C. 20554

**Re: *Ex Parte* Notice**

**In the Matter of Developing a Unified Inter-carrier Compensation Regime  
CC Docket No. 01-92**

**In the Matter of Federal-State Joint Board on Universal Service  
CC Docket No. 96-45**

Dear Ms. Dortch:

Today, Scott Reiter and I of the National Telecommunications Cooperative Association met with Daniel Gonzalez, Commissioner Kevin Martin's Senior Legal Advisor and Jason Williams, Special Assistant to Commissioner Martin. We discussed the findings in NTCA's white paper "Bill and Keep: Is it Right for Rural America?," the data submitted by NTCA in this docket on January 6, 2004 and the attached document. We also discussed the need to coordinate decisions in the intercarrier compensation docket with pending and upcoming proceedings in the universal service dockets.

In accordance with the Commission's rules, an original and two copies of this letter are being filed with the Secretary's Office. If you have any questions, please do not hesitate to contact me at 703-351-2016.

Sincerely,

/s/ L. Marie Guillory  
L. Marie Guillory  
Vice President  
Legal and Industry

cc: Daniel Gonzalez

## Intercarrier Compensation Talking Points

### **FORTHCOMING PUBLIC NOTICE ON INTERCARRIER COMPENSATION**

- The notice should address the data and the white paper NTCA has placed on the record.
- The notice should include an explicit examination of bill-and-keep in rural America.
- The notice should consider alternatives to bill-and-keep.
- The notice should weigh the benefits and burdens that different options impose on small rural telephone companies.
- The notice should examine the impact of bill-and-keep on the deployment of advanced services in rural areas.

### NTCA DATA which should be referenced in the NPRM:

- Ex Parte on January 6, 2004 presented finding from NTCA intercarrier compensation survey. NTCA estimates the adoption of COBAK would reduce existing revenues for rural ILECs study areas under 100,000 lines by more than \$ 2 Billion.
- The smallest companies would be hit the hardest with per line impacts exceeding \$50 per line.
- The impact is uneven across companies and across states.

### NTCA WHITE PAPER: “Bill And Keep: Is It Right For Rural America?”

This paper provides an overview of the bill-and-keep issue from a rural perspective. The notice should seek comment on these issues. Key conclusions reached in the paper are:

- 1) Universal service remains essential for end-user customers served by rural ILECs.
- 2) Bill-and-keep will cause a disparate and precipitous increase in rural end user charges.
- 3) Universal service and intercarrier compensation are closely intertwined.
- 4) Bill-and-keep will shift costs between jurisdictions.
- 5) Rural areas may require a different solution.
- 6) Regulatory arbitrage can be addressed in many ways.

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